



XL Group
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2345379

XL Group
P.O. Box 614002
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August 7, 2012

Via E-Mail

Dwight B. Palmer, Jr.
Counsel
Frank/Gecker LLP,
325 N. LaSalle, Suite 625
Chicago, IL 60654
DwightPalmer@sbcglobal.net

RE: INSURED: AMFAC INC.
MATTER: BANKRUPTCY ESTATE OF D/C DISTRIBUTION - ASBESTOS
DATE OF LOSS: 1970-1995
CLAIM NUMBER: 0003100049
POLICY NUMBER: BM0008680LI97A

Dear Dwight:

XL Insurance (Bermuda) Ltd ("XL") acknowledges receipt of your email correspondence dated June 28, 2012, regarding the above captioned matter; wherein you seek confirmation from XL on available insurance limits for policies issued to Amfac Inc. and/or its subsidiaries ("Amfac"), for asbestos bodily injury claims.

Please be advised that XL provided Amfac with Umbrella Liability coverage on an Occurrence Reported form from September 9, 1986 through January 1, 1989 (Coverage A). Amfac then purchased Discovery Coverage Extension from June 1, 1990 through June 1, 1998 (Coverage B).

The XL Policy states that all claims must be notified to XL during the existence of Coverage A or during the existence of Coverage B, as this was elected by the Insured. Your letter dated June 27, 2012 is XL's first notice of this matter, which is subsequent to any applicable coverage periods that XL was on risk with Amfac. Further, Amfac did not provide XL notice of asbestos and/or asbestos related claims between September 9, 1986 or June 1, 1998; thus there is no coverage for this matter.

In addition, Article IV. Exclusions (h), Sections (1) & (4), exclude coverage for bodily injury arising out of asbestos. Again, there is no coverage available to Amfac for this matter.

Accordingly, there are no XL insurance limits available for the bankruptcy Trustee to collect on behalf of Debtor Amfac for asbestos claims, or for any other claims.

Please be advised that XL reserves the right to assert any and all other coverage defenses that may pertain to this matter.



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Yours sincerely,

Paula Goodchild, ARe
VP, Head of General Liability Claims

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cc: JLT Park Ltd. – Julie_Stephens@jltpark.bm